tives in terms of total quantity of articles to be procured and annual production rates.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2399 (as added by section 802) the following new item:

"2400. Low-rate initial production of new systems.".

SEC. 804. MODIFICATIONS WITH RESPECT TO REPORTS ON LIVE-FIRE TESTING PROGRAMS

(1) TESTING REPORT TO BE SUBMITTED BEFORE PRODUCTION.—Subsection (a)(2) of section 2366 of title 10, United States Code (as amended by section 842), is amended by inserting "and the report required by subsection (d) with respect to that testing is submitted in accordance with that subsection" after "this section" in subparagraphs (A) and (B).

(2) CONTENT OF TESTING REPORT.—Subsection (d) of such section is amended by adding at the end the following: "Each such report shall describe the results of the survivability or lethality testing and shall give the Secretary's overall assessment of the testing.".

SEC. 805. PROCEDURES APPLICABLE TO MULTIYEAR PROCUREMENT CONTRACTS

(a) ADDITIONAL REQUIREMENTS.—Section 2306(h) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

"(9) A multiyear contract may not be entered into for any fiscal year under this subsection unless each of the following conditions is satisfied:

"(A) The Secretary of Defense certifies to Congress that the current five-year defense program fully funds the support costs associated with the multiyear program.

"(B) The proposed multiyear contract provides for production at not less than minimum economic rates given the existing tooling and facilities.

"(C) The proposed multiyear contract—

"(i) achieves a 10 percent savings as compared to the cost of current negotiated contracts, adjusted for changes in quantity and for inflation; or

"(ii) achieves a 10 percent savings as compared to annual contracts if no recent contract experience exists.

"(10) The Secretary of Defense may instruct the Secretary of the military department concerned to incorporate into a proposed

multiyear contract negotiated priced options for varying the quantities of end items to be procured over the period of the contract.

"(11) If for any fiscal year a multiyear contract to be entered into under this subsection is authorized by law for a particular procurement program and that authorization is subject to certain conditions established by law (including a condition as to cost savings to be achieved under the multiyear contract in comparison to specified other contracts) and if it appears (after negotiations with contractors) that such savings cannot be achieved, but that substantial savings could nevertheless be achieved through the use of a multiyear contract rather than specified other contracts, the President may submit to Congress a request for relief from the specified cost savings that must be achieved through multiyear contracting for that program. Any such request by the President shall include